

Message Text

UNCLASSIFIED

PAGE 01 STATE 217162

61

ORIGIN NEA-10

INFO OCT-01 ISO-00 H-02 CIAE-00 DODE-00 INR-07 NSAE-00

PA-02 USIA-15 PRS-01 SP-02 /040 R

DRAFTED BY NEA/ARP:FMDICKMAN:CEJ

APPROVED BY NEA/ARP:FMDICKMAN

H - MR. JENKINS (INFO)

----- 076860

P 012304Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA PRIORITY

UNCLAS STATE 217162

FOR THE AMBASSADOR

E.O. 11652: N/A

TAGS: ETRD, SA

SUBJECT: NEW YORK TIMES ARTICLE ON BOYCOTT

1. FOLLOWING IS EXTRACT OF ARTICLE WRITTEN BY EDWIN L. DALE, JR., WHICH APPEARED IN THE NEW YORK TIMES ON SEPTEMBER 1 FOR YOUR BACKGROUND INFORMATION.

2. QTE: THE FORD ADMINISTRATION ADAMANTLY REFUSED TODAY ANY COMPROMISE IN ITS OPPOSITION TO USE THE TAX LAWS TO PENALIZE UNITED STATES COMPANIES THAT COMPLY WITH THE ARAB BOYCOTT OF ISRAEL.

THE ISSUE IS ONE OF THE MOST DELICATE AND DIFFICULT CONNECTED WITH THE BIG TAX REVISION BILL, WHICH OTHERWISE IS MAKING PROGRESS IN A SENATE-HOUSE CONFERENCE COMMITTEE.

APPEARING LATE THIS AFTERNOON TO OFFER THE ADMINISTRATION VIEW, GERALD L. PARSKY, AN ASSISTANT SECRETARY OF THE TREASURY, SAID THE ADMINISTRATION REMAINED OPPOSED TO THE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 217162

PROVISION OF THE BOYCOTT, ADDED BY THE SENATE. "I HAVE

NO SUGGESTIONS" FOR A COMPROMISE, HE SAID.

THE SENATE PROVISION WOULD DENY FOREIGN TAX CREDITS, TAX DEFERRAL ON FOREIGN PROFITS UNTIL REMITTED TO THE UNITED

STATES AND TAX BENEFITS FOR EXPORTS TO COMPANIES THAT PARTICIPATE IN THE BOYCOTT. EVEN THEIR OVERSEAS EMPLOYEES WOULD BE DENIED TAX BENEFITS ENJOYED BY OTHER OVERSEAS EMPLOYEES OF AMERICAN COMPANIES, UNDER THE SENATE PROPOSAL.

MR. PARSKY ARGUED THAT THE PROVISION OF THE SENATE BILL WOULD NOT AFFECT THE BOYCOTT, WOULD HAMPER UNITED STATES EFFORTS FOR PEACE IN THE MIDDLE EAST AND WOULD HURT UNITED STATES COMPANIES. THE ISSUE IS STILL UNDECIDED. THE CONFEREES INSTRUCTED LAURENCE WOODWORTH, THE CHIEF STAFF OFFICIAL OF THE CONFERENCE COMMITTEE, TO DRAFT LANGUAGE THAT WOULD SOMEWHAT LIMIT THE IMPACT OF THE TAX PENALTY ON COMPANIES THAT COMPLY WITH THE BOYCOTT, BUT MANY KEY DEFINITIONS REMAIN TO BE WORKED OUT.

REPRESENTATIVE AL ULLMAN, DEMOCRAT OF OREGON, CHAIRMAN OF THE HOUSE CONFEREES, SAID, "THERE IS NO QUESTION IN MY MIND THAT ONE WAY OR ANOTHER THIS WILL BE INCORPORATED IN THE FINAL BILL."

IN A RELATED DEVELOPMENT, THE HOUSE INTERNATIONAL RELATIONS COMMITTEE, WORKING ON A BILL TO EXTEND THE EXPORT ADMINISTRATION ACT, VOTED OVERWHELMINGLY TO IMPOSE AN OUTRIGHT BAN ON COMPLIANCE WITH THE BOYCOTT, WITH CIVIL AND CRIMINAL PENALTIES. UNQTE. ROBINSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, TAX LAW, BRIEFING MATERIALS, LEGISLATIVE BILLS, BOYCOTTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE217162
Document Source: CORE
Document Unique ID: 00
Drafter: FMDICKMAN:CEJ
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760332-0735
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197609100/aaaadhwa.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cahillha
Review Comment: n/a
Review Content Flags:
Review Date: 23 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 FEB 2004 by MaustMC>; APPROVED <18 JAN 2005 by cahillha>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW YORK TIMES ARTICLE ON BOYCOTT
TAGS: ETRD, SA, US, NEW YORK TIMES, (DALE, EDWIN L JR)
To: JIDDA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006